

Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 08020 021025Z

12

ACTION EA-10

INFO OCT-01 ISO-00 EB-07 XMB-02 RSC-01 /021 W

----- 048332

R 020830Z DEC 74

FM AMEMBASSY SEOUL

TO USDOC WASHDC

INFO SECSTATE WASHDC 7245

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

LIMITED OFFICIAL USE SEOUL 8020

PASS EXIM BANK

USDOC FOR MAJOR PROJECTS

E.O. 11652: N/A

TAGS: ETRD, KS

SUBJECT: MAJOR PROJECT: TONG SUH PETROCHEMICAL EXPANSION

1. EMBASSY, AT REQUEST OF BADGER AND SKELLY REPRESENTATIVES HAS APPROACHED TONG SUH CONTROLLING PARTNER, KIM, HAN SOO, PRESIDENT AND OWNER OF HANIL SYNTHETIC FIBER, REGARDING BADGER CO. PARTICIPATION IN SUBJECT PROJECT.

2. KIM INDICATED AN APPRECIATION OF PAST AID FINANCING OF NJYIGAL TONG SUH PLANT CONSTRUCTION AND STATED HIS DESIRE TO BUY U. S. GOODS WHENEVER POSSIBLE. KIM THEN POINTED OUT SEVERAL PROBLEM AREAS IN BADGER PROPOSALS. BADGER BOTTOM LINE COSTS ARE SEVERAL MILLION DOLLARS HIGHER THAN NIIGATA'S. (BASED ON LATEST BADGER PROPOSAL SUBMITTED WEEK OF NOV 25). BADGER WAS ALSO UNABLE TO PROVIDE LUMP SUM PRICE, WHICH KIM INSISTED ON AND NIIGATA SUPPLIED. BEYOND THESE POINTS, WHICH KIM HINTED MIGHT BE NEGOTIABLE, WAS FACTOR OF DELIVERY TIME WHICH KIM SAID WAS CRUCIAL TO TONG SUH'S EXPANSION PLANS. NIIGATA STATED DELIVERY IN 14 MONTHS VERSUS 27 MONTHS FOR BADGER. IT SHOULD BE NOTED THAT JAPANESE HAVE GOOD REPUTATION IN KOREA ON MEETING DELIVERY SCHEDULES WHILE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SEOUL 08020 021025Z

EMBASSY HAS INCREASINGLY RECEIVED COMPLAINTS ABOUT DELIVERY

SCHEDULE FAILURES OF U.S. FIRMS.

3. EMBOFFS HAVE RELAYED ABOVE INFORMATION TO LOCAL BADGER AND SKELLY REPS.

4. FOR EXIM: ONE ASPECT OF COMPETITION BETWEEN NIIGATA AND BADGER IS FINANCING. JAPANESE EXIM IS AVAILABLE TO NIIGATA. BADGER REP HAS ASKED EMBASSY TO QUERY EXIM WHETHER EXIM CONSIDERATION OF TONG SUH PROJECT (ALONG LINES OF PREVIOUS PRELIMINARY COMMITMENT) IS POSSIBLE. FUNDS WOULD BE REQUIRED BEGINNING FIRST PART FY 76.

5. AT PRESENT TIME BADGER PROSPECTS DO NOT LOOK GOOD. HAVE SUGGESTED TO LOCAL BADGER REP THAT MARTEL COME UP FROM TAIPEI IF HE CAN BE OF ASSISTANCE. EMBASSY WILL FOLLOW UP AS APPROPRIATE. SNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, CHEMICALS, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SEOUL08020
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740348-0610
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741267/aaaacfqd.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2002 by kelleyw0>; APPROVED <17 MAR 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: TONG SUH PETROCHEMICAL EXPANSION
TAGS: ETRD, KS, XMB
To: COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005